



Reprinted
January 31, 2002

HOUSE BILL No. 1345

DIGEST OF HB 1345 (Updated January 30, 2002 2:57 PM - DI 96)

Citations Affected: IC 22-5.

Synopsis: Report of health or safety violations. Provides that an employee of a private employer may report violations of federal, state, or local laws to the employer, or in certain circumstances, to an official or agency whom the employee believes has jurisdiction to act concerning the violation. Prohibits the sanctioning of an employee who reports violations. Provides that an employee disciplined for reporting a violation may bring a civil action against the employer. Provides that after June 30, 2003, an employee may only be discharged for just cause, and that an employee discharged without cause may institute a civil action against the employee's former employer.

Effective: July 1, 2002.

Pelath, Young D

January 15, 2002, read first time and referred to Committee on Labor and Employment.
January 22, 2002, reported — Do Pass.
January 30, 2002, read second time, amended, ordered engrossed.

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HB 1345—LS 6947/DI 96+



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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1345

A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-5-3-3 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) **This section does not apply**
3 **to an employee governed by section 4 of this chapter.**

4 (b) An employee of a private employer that is under public contract
5 may report in writing the existence of:

- 6 (1) a violation of a federal law or regulation;
7 (2) a violation of a state law or rule;
8 (3) a violation of an ordinance of a political subdivision (as
9 defined in IC 36-1-2-13); or
10 (4) the misuse of public resources;

11 concerning the execution of public contract first to the private
12 employer, unless the private employer is the person whom the
13 employee believes is committing the violation or misuse of public
14 resources. In that case, the employee may report the violation or misuse
15 of public resources in writing to either the private employer or to any
16 official or agency entitled to receive a report from the state ethics
17 commission under IC 4-2-6-4(b)(2)(G) or IC 4-2-6-4(b)(2)(H). If a

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1 good faith effort is not made to correct the problem within a reasonable
 2 time, the employee may submit a written report of the incident to any
 3 person, agency, or organization.

4 ~~(b)~~ (c) For having made a report under subsection (a), an employee
 5 may not:

- 6 (1) be dismissed from employment;
- 7 (2) have salary increases or employment related benefits
- 8 withheld;
- 9 (3) be transferred or reassigned;
- 10 (4) be denied a promotion that the employee otherwise would
- 11 have received; or
- 12 (5) be demoted.

13 ~~(c)~~ (d) Notwithstanding subsections ~~(a)~~ (b) through ~~(b)~~ (c), an
 14 employee must make a reasonable attempt to ascertain the correctness
 15 of any information to be furnished and may be subject to disciplinary
 16 actions for knowingly furnishing false information, including
 17 suspension or dismissal, as determined by the employer. However, any
 18 employee disciplined under this subsection is entitled to process an
 19 appeal of the disciplinary action as a civil action in a court of general
 20 jurisdiction.

21 ~~(d)~~ (e) An employer who violates this section commits a Class A
 22 infraction.

23 SECTION 2. IC 22-5-3-4 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2002]: **Sec. 4. (a) An employee of a private employer may report**
 26 **in writing the existence of:**

- 27 (1) a violation of a federal law or regulation;
- 28 (2) a violation of a state law or rule; or
- 29 (3) a violation of an ordinance of a political subdivision (as
- 30 defined in IC 36-1-2-13);

31 concerning health or safety to the employer, unless the employer
 32 is the person whom the employee believes is committing the
 33 violation. In that case, the employee may report the violation in
 34 writing to either the employer or to any official or agency whom
 35 the employee in good faith believes has jurisdiction to act
 36 concerning the violation, including the commissioner of labor as set
 37 forth in IC 22-8-1.1-23.1. If a good faith effort is not made to
 38 correct the problem within a reasonable time, the employee may
 39 submit a written report of the violation to any person, agency, or
 40 organization.

41 (b) For having made a report under subsection (a), an employee
 42 may not:



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- (1) be dismissed from employment;
- (2) have salary increases or employment related benefits withheld;
- (3) be transferred or reassigned;
- (4) be denied a promotion that the employee otherwise would have received; or
- (5) be demoted.

(c) Notwithstanding subsections (a) and (b), an employee must make a reasonable attempt to ascertain the accuracy of any information to be furnished and may be subject to disciplinary action for knowingly furnishing false information, including suspension or dismissal, as determined by the employer. However, any employee disciplined under this subsection is entitled to process an appeal of the disciplinary action as a civil action.

(d) This section does not relieve an employer of its duty to not:

- (1) discharge an employee; or
 - (2) in any way discriminate against an employee;
- for the employee's actions permitted under IC 22-8-1.1-38.1.

SECTION 3. IC 22-5-6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 6. Termination of Employment Relationship

Sec. 1. As used in this chapter, "discharge for just cause" has the meaning set forth in IC 22-4-15-1(d).

Sec. 2. This chapter applies to employees discharged from employment after June 30, 2003.

Sec. 3. The common law doctrine of employment at will in the state is hereby abrogated.

Sec. 4. An employee may only be discharged for just cause.

Sec. 5. An employee discharged in violation of this chapter may institute a civil action against the employee's former employer.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1345, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

LIGGETT, Chair

Committee Vote: yeas 10, nays 2.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1345 be amended to read as follows:

Page 2, line 34, delete "with" and insert "**whom the employee in good faith believes has**".

(Reference is to HB 1345 as printed January 23, 2002.)

PELATH

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1345 be amended to read as follows:

Page 3, after line 17, begin a new paragraph and insert:

"SECTION 3. IC 22-5-6 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2002]:

Chapter 6. Termination of Employment Relationship

Sec. 1. As used in this chapter, "discharge for just cause" has the meaning set forth in IC 22-4-15-1(d).

Sec. 2. This chapter applies to employees discharged from employment after June 30, 2003.

Sec. 3. The common law doctrine of employment at will in the state is hereby abrogated.

Sec. 4. An employee may only be discharged for just cause.

Sec. 5. An employee discharged in violation of this chapter may institute a civil action against the employee's former employer.

(Reference is to HB 1345 as printed January 23, 2002.)

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